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HERSHEY CHOCOLATE COMPANY

AND

SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

December 31st, 1923

AND

INCOME STATEMENT

For the 12 Months Ending December 31st, 1923

COMPARATIVE BALANCE SHEET

OF

HERSHEY CHOCOLATE COMPANY

December 31st, 1923

HERSHEY CHOCOLATE COMPANY

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET—DECEMBER 31, 1923

ASSETS

Current Assets:

| | |
|--|------------------------|
| Cash | \$ 1,748,785.27 |
| Customers' Accounts Receivable (Net) | 1,731,740.54 |
| Merchandise Inventories | 6,116,639.12 |
| Prepaid Insurance, Interest and Taxes | 76,287.69 |
| Sugar Crop 1924 Advances and Other Prepayments | 1,580,414.08 |
| | <u>\$11,253,866.70</u> |

Fixed Assets:

| | |
|-----------------------------------|------------------------|
| Land and Buildings | \$13,042,084.44 |
| Machinery and Equipment | 9,876,336.75 |
| Public Service Construction | 10,384,371.63 |
| Public Service Equipment | 2,119,595.42 |
| | <u>\$35,422,388.24</u> |
| Less Depreciation Reserve | 8,969,098.45 |
| Net Investment in Plant | \$26,453,289.79 |

| | |
|--|--------------|
| Cash and Treasury Bonds Held for Sinking Fund Requirements Due May 1st, 1924 | 1,851,176.79 |
| Good Will, Trade Marks, etc.: | |
| (Of which \$4,494,087.12 represents amount paid for stock of subsidiaries in excess of par value) .. | 4,918,930.20 |
| Deferred Charges, Unamortized Bond Discount, etc. | 1,259,120.08 |

| | |
|--------------------|-------------------------------|
| TOTAL ASSETS | <u><u>\$45,736,383.56</u></u> |
|--------------------|-------------------------------|

LIABILITIES

Current Liabilities:

| | |
|---|------------------------|
| Notes Payable | \$ 26,680.00 |
| Accounts Payable | 824,500.40 |
| Federal Taxes | 743,109.40 |
| Accrued Wages, Interest, Other Taxes, etc. | 754,092.75 |
| | <u>\$ 2,348,382.55</u> |

| | |
|---|---------------|
| First Mortgage Sinking Fund 6% Gold Bonds | 14,250,000.00 |
| Cuban Censos | 104,438.00 |
| Minority Capital Stock | 5,000.00 |
| Preferred Capital Stock | 1,743,000.00 |
| Common Capital Stock | 15,000,000.00 |
| Surplus | 12,285,563.01 |

| | |
|-------------------------|-------------------------------|
| TOTAL LIABILITIES | <u><u>\$45,736,383.56</u></u> |
|-------------------------|-------------------------------|

HERSHEY CHOCOLATE COMPANY
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME AND PROFIT AND LOSS
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 1923

| | |
|--|------------------------|
| Sales..... | \$33,546,515.37 |
| Cost of Goods Sold..... | 21,240,386.87 |
| Gross Profit..... | 12,306,128.50 |
| Shipping and Selling Expenses..... | 1,614,983.10 |
| General and Administrative Expenses..... | 2,447,184.04 |
| Total Expenses..... | 4,062,167.14 |
| Net Profit..... | 8,243,961.36 |
| Cash Discounts Taken..... | 117,262.29 |
| Interest on Notes Receivable, etc..... | 58,872.67 |
| Other Income..... | 42,087.20 |
| Gross Income..... | 8,462,183.52 |
| Deductions from Income: | |
| Interest on Funded Debt..... | 888,227.09 |
| Interest on Notes and Bank Loans..... | 22,907.35 |
| Cash Discounts Allowed..... | 504,156.89 |
| Federal Taxes..... | 636,041.81 |
| Other Deductions..... | 1,208,496.80 |
| Total Deductions from Income..... | 3,259,829.94 |
| Net Income..... | 5,202,353.58 |
| Dividends Paid..... | 67,466.35 |
| Balance..... | 5,134,887.23 |
| Add: | |
| Profit and Loss Credits..... | 350,659.56 |
| Total..... | 5,485,546.79 |
| Deduct: | |
| Profit and Loss Debits..... | 356,069.50 |
| Surplus for the Period..... | 5,129,477.29 |
| Surplus Beginning of Period..... | 7,156,085.72 |
| Surplus End of Period..... | \$12,285,563.01 |

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HERSHEY CHOCOLATE COMPANY

COMPARATIVE BALANCE SHEET—DECEMBER 31, 1923

| ASSETS | | | |
|---|------------------------|------------------------|------------------------|
| | December 31, 1923 | December 31, 1922 | Increase Decrease |
| Fixed Assets: | | | |
| Real Estate—Land and Buildings | \$ 7,650,277.74 | \$ 7,504,431.18 | \$ 145,846.56 |
| Machinery, Equipment and Fixtures | 5,336,552.68 | 4,946,040.59 | 390,512.09 |
| Total Fixed Assets | \$12,986,830.42 | \$12,450,471.77 | \$ 536,358.65 |
| Investments, Securities and Intercompany Accounts | \$32,602,104.88 | \$35,252,815.56 | \$ 2,650,710.68 |
| Cash and Treasury Bonds held for Sinking Fund Requirements Due May 1st, 1924 | \$ 1,851,176.79 | | \$ 1,851,176.79 |
| Current Assets: | | | |
| Cash | \$ 1,497,661.47 | \$ 1,790,361.50 | \$ 292,700.03 |
| Accounts Receivable (Net) | 1,287,034.53 | 1,315,363.87 | 28,329.34 |
| Merchandise Inventories | 4,722,445.49 | 2,714,851.42 | 2,007,594.07 |
| Prepayments a/c Purchases | 4,397.13 | 4,490.75 | 93.62 |
| Total Current Assets | \$ 7,511,538.62 | \$ 5,825,067.54 | \$ 1,686,471.08 |
| Deferred Charges | \$ 802,096.61 | \$ 1,023,402.39 | \$ 221,305.78 |
| Good Will, Trade Marks, etc | \$ 333,454.30 | \$ 318,454.30 | \$ 15,000.00 |
| TOTAL ASSETS | \$56,087,201.62 | \$54,870,211.56 | \$ 1,216,990.06 |
| LIABILITIES | | | |
| Capital Stock: | | | |
| Preferred | \$ 1,743,000.00 | \$ 1,674,200.00 | \$ 68,800.00 |
| Common | 15,000,000.00 | 15,000,000.00 | |
| Total Capital Stock | \$16,743,000.00 | \$16,674,200.00 | \$ 68,800.00 |
| First Mortgage Sinking Fund 6% Gold Bonds | \$14,250,000.00 | \$15,000,000.00 | \$ 750,000.00 |
| Current Liabilities: | | | |
| Loans and Notes Payable | | \$ 1,350,000.00 | \$ 1,350,000.00 |
| Accounts Payable | \$ 637,150.29 | 642,572.01 | 5,421.72 |
| Accrued Taxes | 332,319.79 | 146,233.72 | 186,086.07 |
| Accrued Income and Excess Profits Taxes | 636,041.81 | 289,575.42 | 346,466.39 |
| Accrued Wages, Interest, etc | 361,445.58 | 150,000.00 | 211,445.58 |
| Total Current Liabilities | \$ 1,966,957.47 | \$ 2,578,381.15 | \$ 611,423.68 |
| Intercompany Accounts—Credits | \$ 2,002,432.14 | \$ 3,999,207.37 | \$ 1,996,775.23 |
| Reserve for Depreciation | \$ 4,404,217.25 | \$ 3,832,524.21 | \$ 571,693.04 |
| Surplus: | | | |
| Balance Beginning of Period | \$12,785,898.83 | \$24,815,968.48 | |
| Profit for Year | \$ 4,090,092.93 | 4,127,724.12 | |
| Gross Total | \$16,875,991.76 | \$28,943,692.60 | |
| Dividends Paid | 67,466.35 | 131,421.80 | |
| Balance | \$16,808,525.41 | \$28,812,270.80 | |
| Deduct: | | | |
| Additional Assessments and Accruals of U. S. Income and Penna. State Taxes, etc. | \$ 87,930.65 | \$ 79,231.74 | |
| Transfer to Common Capital Stock | | 14,500,000.00 | |
| Hershey Chocolate Corporation's Bond Discount, Redemption Premium, Interest, etc | | 1,447,140.23 | |
| Surplus Balance December 31, 1923 | \$16,720,594.76 | \$12,785,898.83 | \$ 3,934,695.93 |
| TOTAL LIABILITIES | \$56,087,201.62 | \$54,870,211.56 | \$ 1,216,990.06 |